UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BROOKMEAD PARTNERS, LP,, Plaintiff, vs. INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB, SARACIA L.P. SHANNAHAN, and WILLIAM P. SHANNAHAN, Defendant.	CASE NO. 08CV659 JLS (WMc)
HIGGS, FLETCHER & MACK, LLP, Cross-Complainant, vs. BROOKMEAD PARTNERS, LP, and SARACIA L.P. SHANNAHAN, Cross-Defendants	**ORDER (1) STAYING PRIOR INTERPLEADER ORDER and (2) DIRECTING PARTIES TO SHOW CAUSE WHY COURT SHOULD NOT VACATE PRIOR INTERPLEADER ORDER**

This case began with a complaint for declaratory relief to determine the parties' rights and obligations under a homeowners' insurance policy. On May 29, 2008, Higgs, Fletcher & Mack, LLP ("cross-complainant") filed a cross-complaint in interpleader. (Doc. No. 5.) The cross-complaint represented that, in a state-court divorce action, the Hon. Thomas Ashworth, III (Ret.)

issued an order directing the deposit of check proceeds into cross-complainant's interest-bearing segregated client trust account. (Cross-Compl. ¶ 16.) Cross-complainant indicated that the complaint for declaratory relief in this case raised a question as to the proper recipient of the proceeds. (Id. ¶ 18, 23.)

On June 11, 2008, this Court issued an Order ("interpleader Order") authorizing cross-complainant to deposit the full amount of interpleaded funds into the Court, and subsequently to move for dismissal from the action, seek an Order restraining cross-defendants from initiating subsequent actions against it, and request attorney's fees and costs. (Doc. No. 9.) Because cross-complainant has not filed a Notice of Deposit, the Court concludes that cross-complainant has not yet, in fact, deposited the interpleaded funds into the Court.

Presently before the Court is Saracia L.P. Shannahan's ex parte application for emergency relief from the Court's interpleader Order. Ms. Shannahan identifies a litany of defects in the interpleader Order, including lack of jurisdiction over both the action and the res. Ms. Shannahan further explains that the deposit of funds would amount to a contempt of Judge Ashworth's order, which directed the cross-complainant to hold the proceeds in the trust account "until further order of the Court." (Memo. ISO Motion, at 3.) Finally, Ms. Shannahan represents that, when the interpleader Order was docketed, she had not been served with the complaint, the amended complaint, nor the cross-complaint.

Having reviewed Ms. Shannahan's ex parte application and the documents in support thereof, the Court hereby **ORDERS** the following:

—The Court **stays** its June 11, 2008 interpleader Order. Unless and until the Court lifts the stay, cross-complainant **shall not deposit** the interpleaded funds into the Court nor take any of the other actions allowed by the interpleader Order.

—The Court **orders** the other parties in this case to show cause why the Court should not (1) vacate the interpleader Order and (2) dismiss/stay the entire action for lack of jurisdiction. Parties **shall comply** with this Order by filing an opposition to Ms. Shannahan's ex parte application within fourteen (14) calendar days of the date that this Order is electronically filed. Opposition memoranda **shall not exceed** twenty-five (25) pages, excluding exhibits. In the alternative, any party **may comply** by filing a notice of non-opposition.

—Ms. Shannahan **may file** a reply in support of her ex parte application within twenty-one (21) calendar days of the date that this Order is electronically filed. The reply memorandum **shall not exceed** ten (10) pages, excluding exhibits.

—After Ms. Shannahan files her reply memorandum, the parties **shall await** further Order from the Court. In the interim, cross-complainant **shall comply** with Judge Ashworth's Order in its entirety.

IT IS SO ORDERED.

DATED: June 24, 2008

Janis L. Sammartino
Honorable Janis L. Sammartino
United States District Judge